



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

February 28, 2022

BY ECF and BY EMAIL

The Honorable Kimba M. Wood
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: *United States v. Steven Brown*, S9 16 Cr. 436 (KMW)

Dear Judge Wood,

Pursuant to the Court's December 6, 2021 order (Dkt. No. 402), the Government writes to provide an update as to the status of efforts to bring SAV, LLC and Marc Brown into compliance with the Court's February 19, 2021 Stipulation and Order (the "Stipulation and Order") and July 26, 2021 Order finding SAV and Mr. Brown in contempt and imposing financial sanctions.

As the Court is aware, on February 19, 2021, the Court entered the Stipulation and Order, which provided, among other things, that SAV had 45 days from the date the Order was entered to pay \$530,000 to William Busbice and Christopher and Geeta Brown to resolve competing claims to a parcel of real property located in Santa Monica, California (the "Santa Monica Property"). When SAV failed to make the required payments, the Government moved to hold SAV and Marc Brown in contempt. On July 26, 2021, the Court found SAV and Marc Brown in contempt and imposed financial sanctions. Those sanctions began accruing on July 27, 2021.

SAV and Mr. Brown have not yet satisfied their obligations under the Stipulation and Order and no payments have yet been made to Busbice, nor to Christopher and Geeta Brown. As a result, financial sanctions have continued to accrue.

The Government has conferred with counsel for SAV and Mr. Brown, Theresa Trzaskoma, Esq. regarding the efforts made over the past several months to comply with the Stipulation and Order. Specifically, in the summer of 2021 SAV listed the Santa Monica Property for sale in an attempt to collect the funds necessary to pay Busbice and the Browns. Based on its conversations and correspondence with Ms. Trzaskoma of today, the Government has learned that there is now a signed purchase agreement with respect to the Santa Monica Property. The buyer has approximately three days to provide the initial down payment towards the purchase. Based on the documents that have been provided to the Government, it is the Government's understanding that the contemplated transaction is an all-cash transaction for a purchase price of \$625,000. Based on its discussions with Ms. Trzaskoma, the Government understands that the purchaser has approximately 45 days to close on the purchase of the property. Furthermore, it is the

Government's understanding that SAV has succeeded in negotiating the removal of a mortgage on the Santa Monica Property held by a business associate of Steven Brown's and defense counsel has provided the Government with a "Substitution of Trustee and Full Reconveyance" filed with the Los Angeles County Recorder's Office. Accordingly, the mortgage has now been removed on the property. Additionally, and as the Government previously reported in its August 26, 2021 letter, in late summer, the Financial Litigation Unit of the U.S. Attorney's Office took the initial steps required to restrain assets in furtherance of efforts to collect the financial sanctions. Based on the efforts made to date, it does not appear that Mr. Brown has assets that may be productively subject to restraint.

In light of the above circumstances, the Government requests an additional six weeks in order for the contemplated sale to be finalized and for the Government to take the other appropriate steps necessary to obtain payment pursuant to the terms of the Stipulation and Order. The Government proposes to write to update the Court no later than April 12, 2022, or sooner in order to notify the Court as to the status of compliance with the Stipulation and Order.

Respectfully submitted,

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